

City of Springfield
Regular Meeting

MINUTES OF THE REGULAR MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY AUGUST 1, 2005

The City of Springfield council met in regular session in the Council Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, August 1, 2005, at 7:08 p.m., with Council President Woodrow presiding.

ATTENDANCE

Present were Councilors Ballew, Ralston, Lundberg, Woodrow, Fitch and Pishioneri. Also present were Assistant City Manager Cynthia Pappas, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

Mayor Leiken was absent (excused).

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Council President Woodrow.

SPRINGFIELD UPBEAT

1. Recognition of Tracy Neal for Ten Years of Service to the City of Springfield.

Assistant City Manager Cynthia Pappas introduced Tracy Neal and gave a brief summary of her history with the city. Ms. Neal is currently the Animal Control Officer for the City of Springfield. Ms. Pappas discussed the changes Ms. Neal had noted in the city since she first started and some of the humorous events she recalled.

2. Recognition of Randy Nawalaniec for Ten Years of Service to the City of Springfield.

Assistant City Manager Cynthia Pappas introduced Mr. Nawalaniec and gave a brief summary of his history with the city. Mr. Nawalaniec is currently with the Maintenance Department of Public Works. Ms. Pappas discussed some of Mr. Nawalaniec's accomplishments with the city and the number of changes that had occurred in the city since he started.

CONSENT CALENDAR

Councilor Pishioneri asked that if any complaints came in from citizens regarding the permit allowing construction activities outside of the hours of 7:00 a.m. and 6:00 p.m. for the Martin Luther King, Jr., Parkway Construction, that council be briefed on each complaint. E-mail could be used to relay that information since council would be on recess. He also asked for assurance that construction would not begin before 7:00 a.m.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO APPROVE THE CONSENT CALENDAR. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

1. Claims

2. Minutes

- a. July 18, 2005 – Work Session
- b. July 18, 2005 – Regular Meeting
- c. July 25, 2005 – Work Session

3. Resolutions

- a. RESOLUTION NO. 05-45 – A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF SPRINGFIELD ADOPTING AN AMENDED MASTER SCHEDULE OF RATES, PERMITS, LICENSES, AND OTHER FEES AND CHARGES AS ESTABLISHED BY THE SPRINGFIELD MUNICIPAL CODE AND DECLARING AN EMERGENCY.
- b. RESOLUTION NO. 05-46 – A RESOLUTION AUTHORIZING THE CITY MANAGER TO AWARD COMPETITIVE BIDS AMOUNTING TO MORE THAN \$35,000 AND APPROVE AMENDMENTS TO PUBLIC CONTRACTS DURING THE PERIOD OF AUGUST 2, 2005 TO SEPTEMBER 11, 2005, WHILE THE CITY COUNCIL IS IN RECESS.

4. Ordinances

- a. ORDINANCE NO. 6138 – AN ORDINANCE PERTAINING TO SIGN STANDARDS AMENDING THE SPRINGFIELD MUNICIPAL CODE CHAPTER 8, AMENDING AND ADDING THE FOLLOWING SECTIONS OR PORTIONS THEREOF: 8.218(3) BANNER PERMIT FEES, 8.218(4) BLIMPS, PORTABLE SIGNS, PENNANTS, BALLOONS AND SEARCHLIGHTS, AND 8.236(6) PORTABLE SIGNS

5. Other Routine Matters

- a. Approval of the Bid Award for Project P20446: Residential Street Sealing 2005, to Asphalt Maintenance Associates, Inc. in the Amount of \$151,234.81.
- b. Approval to Permit Construction Activities Outside of the Hours of 7 a.m. and 6 p.m. for the Martin Luther King, Jr., Parkway Construction Project P20208 During Set Days and with Conditions as Stated in the Agenda Item Summary.
- c. Authorize the City Manager to Sign an Amendment to an Intergovernmental Agreement with the Lane Council of Governments (LCOG) for Services Pertinent to the Mill Race Ecosystem Restoration Project.
- d. Authorize the City Manager to Execute an Amendment to the Contract with Balzhiser & Hubbard Engineers to Increase the Contract Amount by \$57,403.01 for Project P20329, Martin Luther King, Jr., Parkway Sanitary and Trunk Sewer.
- e. Approval of the 2005 City Manager Contract Addendum.

PUBLIC HEARINGS

BUSINESS FROM THE AUDIENCE

1. Shirley Collingwood, 5335 Main Street #234, Springfield, OR Ms. Collingwood said she had been a member of the Springfield Chamber of Commerce and Greeters for over twenty years, a member of the Beta Sigma Phi for ten years, and president of a 300 member Friendship Club. She said there was a definite need for a conference center in Springfield. In 1985, Springfield had the 3rd Greeter Ambassador Convention which included 375 members from all over the state. In 2001, Springfield again won the bid for convention and entertained 300 members from Oregon, Nevada and Washington. The conventions were meant to show off our city. In 2011, they will again be bidding for another convention, this time a National Convention. She said it would be a shame to go across the river to showcase our city. She urged council to help our city find property and build a conference center.
2. Murray Petitt, 1011 Harlow Road, Springfield, OR Mr. Petitt is Chair of the Springfield Chamber of Commerce's Future Committee. Development and construction of a hotel and conference center was a major goal of the Springfield Chamber of Commerce and the Future Committee was charged with spearheading this effort. The Chamber had spent \$40,000 of its own money plus hundreds of hour of staff and member time in pursuit of this goal. He spoke of the recent trip to Davis County to visit their newly built conference center and to learn how they achieved their goal. He said they learned that the hotel/conference center was built through a public/private partnership and throughout the country; such partnerships were used for these facilities. Mr. Petitt referred to the July 25 work session when the council met with local business owners from the Gateway area. At the conclusion of that meeting, pledges of money totaling nearly \$100,000 were made to finance the necessary studies needed for this project. He noted each of the businesses who had pledged support for this project. He said there was a need for a hotel/conference center and the time to move forward was now. He discussed the unique opportunity that exists now. He thanked the councilors and the city for their support and involvement. He gave a brief history of past centers and the loss of the Clarion. The population of Springfield had doubled since the Roadway Inn was first built. Gateway would soon be the most concentrated employment district in the Eugene/Springfield area. He urged council to vote in favor of pledging funds to assist with this study.
3. Greg Waite, 6587 Aaron Lane, Springfield, OR Mr. Waite said he represented several viewpoints regarding the convention center. He said he was the Chairman Elect for the Springfield Greeters. Mr. Waite went to the national convention this year and came back with the opportunity to bid on that event to bring it to Springfield in 2011 along with the statewide convention at the same time. He said that represented the opportunity to bring in 350 people for a week or better at a time along with the attendance for the Statewide Convention. He said the issue was that Springfield did not have a place large enough to accommodate anything like that. He said he had also worked for a number of groups that had looked for a place to hold an event, but there was no place that could accommodate more than one hundred people. He said Springfield needed a conference center as we continue to grow and bring groups such as the Greeters to Springfield. He urged council support for the feasibility study.
4. Dan Egan, 850 North 6th Street, Springfield, OR Mr. Egan is the Executive Director for the Springfield Chamber of Commerce. Mr. Egan spoke in support of a conference center and reviewed the history of this endeavor. He hoped a conference center could be built shortly. He said this was an important juncture to draw up agreements that would lead to construction of a conference center in Springfield. A conference center would not only solidify local

business, but also business that we had never seen to Springfield. He thanked council for their support to this point. He discussed the support the city had offered over the years.

5. Kari Westlund, 87855 Misty Lane, Veneta, OR. Ms. Westlund is with the Convention and Visitor's Association of Lane County (CVALCO). Ms. Westlund said she lived in Veneta, worked in Eugene, but she wanted to bring business to Springfield. She wanted to confirm that CVALCO had \$15,000 earmarked for the remaining feasibility work on the Springfield conference center project and remained committed to this project. She discussed market demand from non-local users. She said when you add the demand from non-local users plus the testimonials from local businesses in the area and civic uses, there was a great demand for the Springfield conference center. She noted that the last study was done before the Clarion and Ramada were lost. She said the next round of analysis should take us to facility size and scope, develop proformas for the operations of the facility, design and construction documents, and articulated operating and ownership agreements. She wished the project was under construction now, but she agreed that a prudent and methodical study should be done to safeguard the public's interest. Through the long process, a great deal had been learned. A prudent and analytical hotel developer had been attracted to this project. A local developer had been key to the successful models. She discussed the resources now available to assure financial feasibility for Springfield. She said there were ways to finance this project in a way as to not burden the local taxpayer, but city's staff would be important. She said she hoped the council would recognize the economic and civic role this project would play in the community.
6. Jeanette Welker, 28182 Briggs Hill Road, Eugene, OR. Ms. Welker is the Chairman of Springfield Chamber of Commerce Greeters. She said the challenge for her had been where to host the joint Greeters meeting. She had been told there was no place in Springfield to meet. She said they were creative and met at the Regional Sports Center. She said it went well, but they are growing and the Sports Center was not built to accommodate that many people. She said the Greeters had a lot of energy and enthusiasm and she did not want that to stop because they did not have a local place to meet. She supported building a conference center and discussed the timeliness and opportunity.
7. Phillip Farrington, PeaceHealth, 123 International Way, Springfield, OR. Mr. Farrington is with PeaceHealth. He said that last week Brian Terrett spoke before council about the conference center. PeaceHealth was delighted to participate and provide support for this project. He discussed the needs that PeaceHealth had regarding meeting space. In their master plan a place was identified for a future learning center, and a space for housing that could accommodate families for long-term stays. The types of facilities being discussed for the hotel/conference center could provide some of those needs. He said they were ready to support this, whether it was on property that was owned by PeaceHealth or elsewhere. He said they were looking forward to allying with the city and other Gateway businesses. He asked council to support what they could as well.
8. George Staples, Delta Sand and Gravel, 999 Division Ave., Eugene, OR. Mr. Staples said he was here to speak regarding the noise variance that council approved under the Consent Calendar. He said they appreciated council's approval and they would do their best not to impact those who live in the area. He said the dates and times listed on the agenda item summary were subject to some change, but they would keep people and the city informed. He said they appreciated council's support.

9. Joel Pomerantz, Oregon Restaurant Association, 1171 Risdin Place, Eugene, OR. Mr. Pomerantz spoke regarding the Gaming Ordinance that was before council. He said this ordinance was requested by several owners of establishments, specifically bars and taverns, in Springfield that saw themselves at a competitive disadvantage to the business operators in surrounding communities. The ordinance was altered to address concerns from community and council members. One of the aspects of the ordinance was to require a license from business operators, to license organizers of these games who provide a service by providing equipment the players could use and to monitor the games to assure fairness. The fee structure in the amended ordinance asked that organizers pay a \$100 license fee and be subject to background checks as the business owners. He said it was important to understand that for both the business owners and organizers of the games, there would be no taking of any shares of the stakes the players contribute to the game. The organizers would get a fee of \$5 per player and no play would be allowed by the business owner or organizer. The amended ordinance now tried to address the issues of fairness and he felt it was a good one.
10. Ed Bergeron, 2064 Law Lane, Eugene, OR. Mr. Bergeron is the Past President of CVALCO and the Springfield Chamber of Commerce. He said he was before council as the Chair of the Springfield Chamber's Gateway Development Committee. He said many of the committee members had pledged dollars for the next phase of the feasibility study because they felt it was a tremendous economic development opportunity for our community and for the Gateway area in particular. He said they appreciated the city's past partnership and encouraged their continued involvement and support to bring this project to completion and provide the much needed meeting space to keep the jobs in our community.
11. Bob Keefer, Willamalane Parks and Recreation District, 200 South Mill St., Springfield, OR. Mr. Keefer is the Superintendent of the Willamalane Parks and Recreation District. He said he was before council to encourage support of the Symantec Property tax exemption with the understanding that there would be something there for TEAM Springfield. He discussed the uniqueness of the TEAM Springfield concept. Many times in communities that have enterprise zones, other taxing districts are not aware until after the fact. He appreciated being involved and being asked for input in both the Symantec and Williams Bakery Enterprise Zone exemption. He discussed the Regional Sports Park and the soccer fields that were scheduled to be completed. Willamalane was requesting that Williams Bakery and Symantec donate \$30,000 toward that project. With those dollars, the private donors they had received and with some Willamalane funds, that project could be completed. He discussed the lighting that would go in on those fields and how that would increase the usage. He said School Superintendent Nancy Golden also asked that council consider the support funding from Williams Bakery and Symantec through the Enterprise Zone exemption for the theater to bring business to downtown Springfield. With these types of donations, things like the Regional Sports Center and a Regional Conference Center would be possible, bringing business to Springfield.
12. Don McCabe, 444 N. 42nd Street, Springfield, OR. Mr. McCabe spoke regarding the Social Games Ordinance. He reiterated several of the concerns of the council regarding the organizer of the events. Mr. McCabe said as the owner of the Pour House Tavern, he had numerous functions at the tavern. He said he paid people to help promote business and that created jobs. He said they employed people and also created other jobs for people coming in to enhance his business and other tavern owners' businesses. He said there was nothing

wrong with creating jobs as it was good for business and the community. He hoped council would take into consideration that the business owners wanted to keep these games as honest and level as possible. One of the best ways to do that was to have someone come in that knew what they were doing and could run the games. That was the best way to keep it running smoothly. He asked council to keep that part of the ordinance intact.

13. Keith Simonson, 1877 North 7th Street, P.O. Box 1087, Cottage Grove, OR. Mr. Simonsen said he was an operator of the games. He said he had recommended the operators were licensed and had background checks just as the owners. It was important to have an honest operator. He said it was his job to make sure the game was played fair and the equipment was correct. He said it was important to have someone monitor the game to make sure it was run honestly so the police didn't have to be called in, and that was his job. He said he had been doing these games for six months and had no problems. He said there was not a lot of money exchanged, because it was a tournament. Each player paid a fee of \$10, \$20 or \$30 to get into the tournament and then they played with chips. They didn't lose large amounts of money as in cash games. He asked for council's support.

COUNCIL RESPONSE

CORRESPONDENCE AND PETITIONS

1. Correspondence from Nick Shevchynski, 2445 Skyline Boulevard, Eugene, OR Regarding ORS 30.275 Notice to the City of Springfield.
2. Correspondence from Bob Keefer, Willamalane Parks and Recreation District Superintendent, 200 South Mill Street, Springfield, OR Regarding the Extension of the Enterprise Zone for Williams Bakery.
3. Correspondence from Pat Lewis, Willamalane Parks and Recreation District Executive Secretary, 200 South Mill Street, Springfield, OR Regarding the Board-Appointed Representative to the City of Springfield.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO ACCEPT THE CORRESPONDENCE FOR FILING. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

BIDS

ORDINANCES

1. Vacation of a 26.5 Foot Wide Public Easement in the Wildish Industrial Tracts Subdivision (Wildish).

ORDINANCE NO. 6139 - AN ORDINANCE VACATING A PUBLIC EASEMENT IN THE CITY OF SPRINGFIELD, LANE COUNTY OREGON

City Planner Colin Stephens presented the staff report on this item. The applicant, Wildish Industrial Development Corporation, is requesting that the city vacate a portion of a 26.5-foot wide public easement originally intended for a railroad spur in the Wildish Industrial Tracts Subdivision because there is no need for public access through the property. The subject property is located south of the Nugget Way and 19th Avenue intersection on the west side of Nugget Way,

Map Number 18-03-03-11, Tax Lot(s) 3700, 3800, 3900, 4000, 4100, 4200 & Map Number 18-03-03-1 Tax Lot 1300.

The Williams Bakery facility, which is being constructed on the subject property, received Final Site Plan Approval on June 6, 2005. City staff determined that the existing 26.5-foot public easement running along the western property line of Lots 1-7 of the Wildish Industrial Tracts Subdivision must be vacated to accommodate the proposed building footprint. The staff have determined that there is no need for a public railroad spur easement through the subject property. Therefore, the applicant was directed to seek the council's approval for vacation of this public railroad easement. The City Attorney, City Surveyor and Cascade Title Company all recommend that the council vacate this encumbrance on the title of the affected property in a public hearing and remove all clouds of doubt. All three agree that this is the most legally prudent method of action. Section 3.204 of the Springfield Municipal Code requires abutting property owners to be assessed if they receive special benefit when public street right-of-way is vacated. This railroad easement is not a public street and is therefore not subject to this provision of the Municipal Code. The council conducted the first reading on this ordinance on July 18, 2005. There is no financial impact to the city for this action.

Mr. Stephens referred to the questions council had during the first reading and public hearing on July 18, 2005. The first question was whether or not there was any monetary value associated with this easement. Staff reviewed this issue with the City Attorney's Office under the recently adopted Municipal Code amendments in Chapter 3, Section 2, Streets, which required a benefiting property owner to be assessed when right-of-way was vacated that abuts that property. The interpretation of the staff and City Attorney's Office was that public utility easements and railroad easements do not require an assessment from the abutting property.

Mr. Stephens said the second question was whether or not the city had the authority to vacate the easement. The City Recorder distributed an 11 ½ x 17 document which showed the Wildish Industrial tracts. Two items were highlighted on that document. The green highlight indicated the easement to be vacated. Mr. Stephens read from the yellow highlighted area, "we hereby dedicate to the free use of the public forever the streets and easements as shown hereon for said purposes, respectively". The City Surveyor and the City Attorney looked at that language and determined that through reference that dedicated that railroad easement to the public. That subdivision was filed with the county in 1969 and had not yet been annexed to the city. The property was subsequently annexed to the City of Eugene and when the City of Springfield took over jurisdiction of Glenwood from Eugene, Springfield took over jurisdiction of the easement. The City Surveyor, the City Attorney and the title company determined that vacation by the city council with a public hearing was the appropriate way to dispense of this easement.

Mr. Stephens said that on July 18, 2005 it was noted that there was an incorrect reference to the Oregon Revised Statutes in the draft ordinance attached to the packet that evening. That had been corrected and was reflected in the stamped ordinance before council.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO ADOPT ORDINANCE NO. 6139. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

2. Social Games (Gambling).

ORDINANCE NO. 6140 - AN ORDINANCE AMENDING SPRINGFIELD MUNICIPAL CODE (SMC) SECTION 5.254 TO REFERENCE THE SPRINGFIELD SOCIAL GAMING CODE 5.258 AND ADDING SPRINGFIELD SOCIAL GAMING/TEXAS HOLDEM POKER CARD TOURNAMENT TO THE SMC AS SECTION 5.258 AND DECLARING AN EMERGENCY.

Councilor Lundberg recused herself from discussion on this item as she had a conflict of interest with her establishment.

Police Chief Jerry Smith presented the staff report on this item. Prompted by a request by Mr. Don McCabe, council discussed the adoption of a modification of the Springfield Municipal Code to permit “tournament” poker games. Council directed staff to construct an ordinance that authorized the playing of tournament style poker games commonly referred to as Texas Hold-em.

The draft ordinance (attachment 1 in the Agenda Packet) is presented for council consideration. The license fee of \$100 specified in Section 5.258 (6) & (11) is based upon the recommendation of Dave Puent and is equal to the Liquor License Application Fee. There is a buy in limitation required by state law. No tournament may charge a player a total “buy in” or entry fee greater than \$100 in a 24-hour period. No other winnings or compensation to the payers is permitted other than the “buy in” or entry fee.

Because of a lack of track record at the Police Department there is no basis to include in the annual license fee required in Section 5.258 (6) & (11) investigative or enforcement costs. However, Section 4 of the Ordinance requires periodic review in approximately a year from the date this Ordinance takes effect. At that time, if there has been inordinate investigative or enforcement costs, adjustments may be made.

Additionally, Section 5.258 (15) provides a penalty for a fine not to exceed \$500 for each violation. Revocation of the license may occur by the Municipal Court upon conviction or through an administrative revocation by the City Manager’s office. This ordinance may be a precursor for future request to expand social games to include other forms of card games without corresponding resources to investigate and enforce gambling violations.

Chief Smith gave a brief history of why this was brought before council. Staff drafted an ordinance to allow tournament style play. After the packets went out, a meeting was held with Mr. McCabe and several others and some revisions were made to the ordinance. The updated ordinance was distributed to council. He described the changes: On page 2, the Tournament Organizer was defined; On page 4 it called for the license of not only the business owner but also the organizer (he explained why that was added); On page 6, section 10, there was a \$5 fee per player that the organizer could charge for participating in the game. The ordinance restricted social games to Texas HoldEm Tournament style format. There was also recognition in the ordinance that by state law there could be \$100 or less buy-in per player in a twenty-four hour period.

Councilor Fitch appreciated the collaborative work with the businesses to get this ordinance drafted. She said she hoped the city wouldn’t have to use city resources to supervise these tournaments.

Councilor Pishioneri said he was pleased with the draft ordinance that was originally in the agenda packet, but was not pleased with the current draft. He said the tournament organizer was well justified and he concurred that the game should be run honestly, that a person should not work for free, and that people should be paid to come in to work for a restaurant for services rendered. He said this had nothing to do with someone having an independent job, but was something that if people wanted to come in to play, they would come in to play. He said the residual benefit to the business owner was increased sales of drinks and food. He said he was not here to create an enterprise for gaming organizers. He concurred that it would be a fun time for people who participated. He said if there were no fee, people would flock to the business, so he could not support it the way it was written.

Councilor Ralston said he loved the game and had no problems with the original ordinance. He didn't have a problem with the fee, but had a problem with the amount of the fee and who was paying it. He discussed the fee paid to the organizer. The buy-in fee for the player, however, seemed high. He discussed having the option of a sliding schedule. He said he would not oppose the ordinance based on the fee, but he didn't like the fact that players would be paying the fee. He said he knew other communities had it set up that way.

Mr. Leahy said there was no requirement for a tournament organizer. That would be the choice of the owner of the establishment. The owner of the establishment could put on the tournament without hiring an organizer. In that event there would be no fee for the organizer because there would not be one.

Councilor Ralston said he liked the way Springfield did things differently and having no fee would set us aside from other communities and could draw in more participants. He would suggest the fee would not be the maximum of \$5 each time. The fee should be set by the proprietor and he would suggest a lesser amount, such as \$3, to make it different than other communities. Discretion should be used and the fee advertised.

Councilor Ballew asked for confirmation that the hand-out ordinance was newer than the ordinance in the packet.

Mr. Leahy said that was correct. He explained the meeting that took place last Friday after the agenda packets with the ordinance had gone out to council. He discussed the changes that were made as a result of that meeting. The business owners had requested that the owner and operator could play, but Chief Smith thought that would not be appropriate in the beginning and could possibly be added later. Staff wanted something as clean as possible. Of the four recommendations by the business owners, two were presented to council. If council wanted to delete the Tournament Organizer fee or reduce the fee, that could be done by amendment. That could be a market issue. There was no entry fee that could be charged by the owner of establishment, only by the Tournament Organizer.

Councilor Ballew asked Councilor Pishioneri what would make it acceptable.

Councilor Pishioneri said having no Tournament Organizer fee. He asked if there was a potential wording issue on the last sentence on page 6, Section 10(e), of the newest ordinance "the Tournament Organizer, etc. shall take no part of the moneys taken from the tournament players as profit, expenses, etc." He asked if it was a conflict with 10(a).

Mr. Leahy said it was not a conflict, but it could be worded to make it clearer. He said he would change it to read "buy-in fees" rather than "the moneys".

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR FITCH TO ADOPT ORDINANCE NO. 6140. *

IT WAS MOVED BY COUNCILOR PISHIONERI TO AMEND ORDINANCE NO. 3 TO ELIMINATE SECTION 10(A) FROM PAGE 6. THE MOTION DIED FOR LACK OF A SECOND.

IT WAS MOVED BY COUNCILOR RALSTON TO AMEND ORDINANCE NO. 3 THAT THE TOURNAMENT ORGANIZER FEE NOT EXCEED \$3. THE MOTION DIED FOR LACK OF A SECOND.

Mr. Leahy said he would change Section 10(e) to reflect the understanding of the council "the "house" licensee, private business owner, manager, Tournament Organizer, etc., shall take no part of the "buy in" from the tournament players as profit or expenses, etc." to make it clearer as Councilor Pishioneri said.

Councilor Fitch said council had stepped out on a limb in looking what people wanted. The idea was to have fun and provide entertainment for the citizens. She addressed the business owners and said it would be sad if citizens complained about the cost of the buy-in. If there was enough opposition, this ordinance could be removed. She said she hoped the business owners had heard that message.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR FITCH TO AMEND SECTION 4 OF THE ORDINANCE TO CHANGE IT FROM A PERIOD OF ONE YEAR TO SIX MONTHS. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSTENTION – LUNDBERG).

*** THE MOTION TO ADOPT ORDINANCE NO. 6140 PASSED WITH A VOTE OF 4 FOR AND 1 AGAINST (PISHIONERI) (1 ABSTENTION – LUNDBERG).**

BUSINESS FROM THE CITY COUNCIL

1. Business from Council

a. Committee Report

1. Councilor Pishioneri said he attended the Relay for Life event sponsored by the American Cancer Society at Lane Community College. He commended the Springfield Police for their devotion to that good cause. He said he would challenge the Springfield Police to beat the Lane County Sheriff's Office next year.
2. Councilor Woodrow said he attended the National Neighborhood Night Out held Sunday, July 31 at Island Park. He said there was a good turnout. The Neighborhood Watch Program had representatives, the Springfield Police and a number of other organizations were there and all had a great time.

Councilor Woodrow also reminded council that the TEAM Springfield Mid-Year meeting would be held August 24 at 5:00pm at Agnes Stewart Middle School (ASMS). He said a press conference was scheduled for Tuesday, August 2 at the Eugene AmTrak Depot with Congressman Peter DeFazio at 1:30pm.

BUSINESS FROM THE CITY MANAGER

1. Symantec Corporation Request Regarding Enterprise Zone Extension in Gateway.

RESOLUTION NO. 05-47 – A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AGREEMENTS WITH LANE COUNTY AND THE SYMANTEC CORPORATION TO EXTEND THE PROPERTY TAX EXEMPTION TWO YEARS FOR A TECHNICAL SUPPORT CUSTOMER SERVICE CENTER IN THE GATEWAY AREA.

Community Development Manager John Tamulonis presented the staff report on this item. Symantec has requested that both sponsors (Lane County and the City of Springfield) of the Springfield Enterprise Zone approve extending enterprise zone benefits. In its decision to build a \$35 million technical support facility in the Gateway area of Springfield, Symantec needs to know if it will have an additional two years (five years total) of enterprise zone benefits to ensure compensation and hiring meets the zone requirements. A three-year exemption requires the firm to merely increase its employment level by 10% and maintain it throughout the exemption period. The extended five-year exemption also requires that the average compensation level for new hires be maintained above 150% of Lane County's average wage of \$30,316 or above \$45,474 throughout the five-year exemption.

Mr. Tamulonis said Symantec currently had a facility with a similar exemption and had been considering doubling their facility for some time. They had exceeded the Enterprise Zone requirements at the original facility. Mr. Tamulonis introduced Zach Wilson from Symantec who was present for questions. Some of the things to be included in the Enterprise Zone Exemption would be additional contributions from Symantec such as: \$30,000 in lighting for the Regional Sports Center and \$30,000 for the Wildish Theater. Symantec had also been asked to provide a share of funding for the conference center study, but their foundation was not able to do that, so the city was suggesting an additional \$25,000 through the Enterprise Zone contract to pay for that study. Springfield City Council and the Lane County Board of Commissioners co-sponsor this Enterprise Zone Exemption. Lane County had typically asked for one-quarter of what Springfield had asked for in the past, so he would be taking this and the Williams Bakery Enterprise Zone Exemption to the County Commissioners in the next three weeks. Tonight's request was to allow the City Manager to negotiate those agreements and move it forward to Lane County for their approval.

Councilor Ralston asked what the tax benefit would be in the last two years.

Mr. Tamulonis said it would be about \$642,000 each year, totaling about \$1.28M. The amount requested through the requirements of the Enterprise Zone from the city and the county was about 37 percent of that amount or \$480,000 total.

Councilor Ralston said the public looks at this differently. He said he supported economic development and hoped to see businesses expand. He would like to think a business expanded because it made sense and they liked doing business in Springfield. He said he was opposed to

the extended Enterprise Zone. He said he supported Symantec and economic development, but the city had budget issues and needed the money.

Councilor Fitch said she supported it because of the requirements for the level of wages, allowing citizens to have family wage jobs that would allow them to buy homes in Springfield. This would allow citizens that had an education to have a level of earning that would allow them to stay here with their families and to grow with our community. She said she was supportive of the Enterprise Zone Extension and the expansion of the business.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO ADOPT RESOLUTION NO. 05-47. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

2. SEDA-City Cooperation Agreement.

Community Development Manager John Tamulonis presented the staff report on this item. SEDA is an independent agency under state laws with an interest in having general and specific functions done through an agreement with the City of Springfield. The character and extent of the relationship is in a key intergovernmental agreement between the two organizations: the Cooperation Agreement. Such Cooperation Agreements are typical, based on discussions with expert individuals for urban renewal agencies and agreements that define similar relationships elsewhere.

In discussions on July 25, 2005, the SEDA board provided final changes to a Cooperation Agreement and the approved version here (Attachment A) it now proposes for signing by SEDA and the City of Springfield. This is a basic document that establishes the framework for long-term cooperation between SEDA, an urban renewal agency, and its authorizing City Council. It permits flexibility for the lengthy period of the urban renewal plan to adjust the detailed operational arrangements without having to redefine and modify the essential character of the agreement between the two organizations underlying the purpose of the urban renewal plan. Thus, operational details can be modified and adjusted as conditions change, while the underlying character remains in place.

Mr. Tamulonis said some changes were made to the agreement following further review by city counsel, county counsel and the city's bond counsel. He noted the only changes made in the agreement as suggested by the city's bond counsel were bolded on page 1, D, "**is in the public interest**"; page 2, Section 1, last sentence, "**Any other subordination to financing shall be approved by the Agency and the City. Any such financing shall be . . .**"; and page 3, Section 5, "**inception on January**". He said the only other information they received from the bond counsel was that Section 8 had some potential limitations. When doing urban renewal agencies, you must be prudent to make sure things bought with tax increment financing remain in the urban renewal agency if sold at a profit. The bond counsel recommended that the last sentence of Section 8 would not allow much opportunity for purchasing something without tax increment financing. The sentence would remain in the contract, but would require caution. He said the final copy would be stamped by the City Attorney and the Lane County Counsel, Steve Vorhees.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG TO APPROVE EXECUTION BY THE CITY MANAGER OF THE COOPERATION AGREEMENT BETWEEN THE SPRINGFIELD ECONOMIC

DEVELOPMENT AGENCY (SEDA) AND THE CITY OF SPRINGFIELD ONCE APPROVED BY THE CITY ATTORNEY. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

3. Follow-up Regarding Springfield Area Chamber of Commerce and Conference Center Development.

Community Development Manager John Tamulonis presented the staff report on this item. At the July 25, 2005 work session, council and Chamber representatives discussed the potential for a conference center like the one built in Davis County, Utah. Gateway business community members spoke to their need and potential use for the center and the value for the center to both enhance economic development and have a positive impact on tourism. Council had several questions regarding such facilities and the opportunities offered in the Gateway area before responding to the Chamber requests. Mr. Tamulonis addressed those questions.

Mr. Tamulonis distributed a document showing the Davis County Conference Center Proforma Operating Budgets without debt service and the Construction Budget. He said the Davis County Conference Center debt coverage was being covered by a series of funds outside the actual operations of the facility, such as through room tax, meals, charges and car rentals. He discussed the change in the deficit for the first year which was attributed to the hiring of another employee to assist with marketing. This increased their expenses by about \$45,000. Their income levels had actually been exceeded by about two percent. He described fees Davis County was paying to the county to manage the facility and the funds they had set aside for Reserve and Replacement. The back side of the document gave a chart of the Davis County Conference Center, Construction Budget. Mr. Tamulonis explained the savings by co-locating the hotel and conference center.

Councilor Ralston asked for an example of a financial mechanism that would not cost the citizens any money.

Mr. Tamulonis said there were often a number of components, such as a conference center, hotel, parking structure and land development. Some communities had financed through revenue bonds the development and operation of parking structures. If a couple of organizations that would normally be building such structures made use of those parking structures built with revenue bonds, those private organizations could put money toward building the conference center. He said it was a matter of finding how the pieces could fit together, who had risks and who might make those types of investments.

Councilor Ralston asked who would bear the deficit the first couple of years.

Mr. Tamulonis said in Davis County the county took the deficit because it would be their facility. They were anticipating that the hotelier would buy the property and the county could then make a profit. The building was expected to be paid off in ten years, which was very good for a facility of that size.

Councilor Ralston said at this point, Sygan was interested in building the hotel. He asked where the convention center was coming from.

Mr. Tamulonis said it could be through a bond or other businesses or individuals. He said it was unknown at this point. The studies that would be done would provide more detail and

recommendations. He said they had talked to experts and every facility had been done differently.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR FITCH TO PROVIDE CITY FUNDING OF \$25,000 FOR STUDIES NECESSARY FOR SITING AND DEVELOPING A CONFERENCE CENTER PROJECT IN SPRINGFIELD; COMMIT APPROXIMATELY .125 FTE STAFF TIME AND ASSISTANCE OF COMMUNITY DEVELOPMENT MANAGER TO DEVELOP A CONFERENCE CENTER PROJECT; AND AGREE TO PARTNER WITH THE CHAMBER AND GATEWAY BUSINESS FIRMS TO ADMINISTER THE CONFERENCE CENTER PROJECT THROUGH THE UPCOMING FEASIBILITY PHASES. *

Councilor Lundberg said she had several comments. The proposed conference center was being considered in her ward and she cared about what happened in the Gateway area. She would love to have a conference center and she would love to have the urban growth boundary (UGB) expanded. The issue was that we had studied this a great deal already. She noted that many facilities were not making money. These types of facilities were often public/private partnership because that was not the part that made money and needed public support. She referred to the conference center in Salem. She said she wouldn't support pledging \$25,000 for the study, but would support \$5000. She understood the need to replace the Clarion which was outdated and didn't serve its purpose. She said she was very supportive of the conference center but didn't feel the city could afford that level of commitment.

Councilor Ballew agreed with Councilor Lundberg. She said the city didn't have the financing to participate. She said she didn't want the city to step forward as a major player in the conference center. She said conference centers didn't make money. She discussed the deficits the city was currently facing. She wished them well, and would support an amount less than \$25,000. She said she would not support dedicating staff time. She said she didn't feel there was a need for this study.

Councilor Ralston said he didn't see Lane County participation in this and he wanted to see what had been done to include them. He said he supported this, but thought the responsibility should be shared as much as possible.

Councilor Fitch said she would support this because it was needed. She said she hoped this was the last feasibility study before construction. She said this was not something the city could fund or operate, and there would need to be a lot of creativity in the feasibility study to make this work, such as room tax dollars which were previously put toward Hayward Field that could be dedicated to a new project. She also recommended looking at economic development money from the lottery that Lane County had passed through that could help. She agreed with Councilor Ralston that a lot of questions needed to be answered in this study. It would be nice if the study could be done for \$5000.

Councilor Pishioneri said this was a big venture and was needed. He said it was not a profit making venture, but an investment for the community. It was an expense and investment for the community. He supported this and felt it would be important for our community, especially in the long-term.

Councilor Woodrow said a conference center was not a money-making viable source or private businesses would be building them all the time; however, cities provide services to citizens. With the private sector stepping up, there was a better chance of not losing money. He said not building a conference center at all was not an option. The city had an obligation to help the community have a place for citizens of Springfield to meet. The \$25,000 for the last feasibility study was justified and would come back with the information needed. He said he supported this and believed they should go forward.

Councilor Ballew asked what the value of .125 FTE equaled.

Mr. Tamulonis said it was about \$10,000.

Councilor Ballew noted that adding that \$10,000 to the \$25,000 cash pledge would make the city the biggest contributor.

Mr. Tamulonis said sixty percent of his salary was paid through transient room tax and about sixty percent of his time was focused on increasing tourism and development. It was more a matter of focusing the effort.

Councilor Fitch said the other entities may not have added their staff time into this request.

Councilor Lundberg asked how the Clarion got built originally.

Mr. Tamulonis said James Mathory built the Roadway Inn in 1965 and it was totally privately funded.

Councilor Lundberg said she would like the private sector to come forward more and not have to ask the city for assistance. She said the level of commitment from the city should be smaller. She would like to see Lane County step up on this issue and she asked if there were plans to speak with them. She discussed the Fairgrounds issue which the county and City of Eugene were both involved with.

Mr. Tamulonis said Lane County had been approached about participating in the Springfield conference center, but they said Springfield was moving too fast. In 1995, Lane County paid for a study for a larger convention center to meet the need. He discussed some of the process they went through on that project. He discussed the loss of rooms and meeting space in Springfield. There were hotels being built, but not a convention center which was very much needed. He discussed Lane County's participation in a project in Florence. If Springfield came in a year from now with a proposal, the county might make an investment. He said it may not be viable to build a convention center in the metro area, but this conference center could be much more viable because of those involved and the feasibility.

Councilor Pishioneri asked Mr. Tamulonis what the total private investment had been for the study.

Mr. Tamulonis said \$70,000 was committed from the private sector, which could rise to \$95,000 with Symantec's Enterprise Zone contract.

Councilor Pishioneri said as a whole, the private industry was investing more than the city.

Councilor Ballew said she could accept the money pledged for the study, but not the staff time because it looked like the city was taking ownership of the project.

Councilor Woodrow said the motion would commit staff time through the upcoming feasibility study and Mr. Tamulonis was working on it already. He discussed the reduction of cost if the conference center was built while the private sector built their hotel. He said he supported this. It was a great opportunity.

Councilor Ballew said with the building of PeaceHealth, other hotels would be built.

Councilor Fitch called the question.

*** THE MOTION PASSED WITH A VOTE OF 4 FOR AND 2 AGAINST (BALLEW AND LUNDBERG).**

BUSINESS FROM THE CITY ATTORNEY

ADJOURNMENT

The meeting was adjourned at approximately 8:20 p.m.

Minutes Recorder Amy Sowa

Sidney W. Leiken
Mayor

Attest:

City Recorder